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# Quarterly Report

3<sup>rd</sup>  
Quarter  
1999

## Greetings!

DCLU is pleased to introduce you to a new look for the Quarterly Report. We have changed the format, but not the comments. The format changes reflect our goal of improving our readers' ability to read and understand these quarterly performance updates.

Building Code Council technical advisory groups that are comparing the International Codes to the current State codes.

## Land Use Code Omnibus Legislation Adopted

Legislation related to structural building overhangs, areaways, sidewalk cafes, car storage on single family lots, and to the expansion of nonconforming uses in single family zones were adopted by Council.

## Station Area Interim Overlay District Approved

Rules governing development in and around proposed light rail station areas were approved by Council to preserve planning options currently under discussion within the City and with Sound Transit for the development of light rail from Southeast Seattle to the University District.

## Quarterly Highlights

### Changes to Accessory Dwelling Unit (ADU) Regulations Adopted

Council approved legislation intended to further promote accessory dwelling units as an affordable housing option in the city.

The changes provide more flexibility for owner-occupancy (such as allowing for sabbaticals, temporary job dislocation, etc.); provide flexibility for the design integration of a second principal entrance on a street-facing façade; eliminate the public notice requirement; and require the owner to notify prospective purchasers of the applicable Land Use Code requirements, such as owner-occupancy.

### Moisture Damage Study

DCLU submitted a proposal to the Oak Ridge National Laboratory (ORNL) for a study of moisture damage

in exterior walls of buildings. Under the proposal, ORNL will develop computer models to study how moisture moves through several different typical building enclosures.

We are also preparing a grant proposal to submit to the U.S. Department of Energy that would cover one-half the cost of the study.

### International Codes

The nation's three model code organizations recently completed development of a single family of coordinated model construction codes, called the International Codes.

In September, five DCLU staff members attended the first joint meeting of the three code organizations where the final changes to the International Codes were decided. DCLU staff is participating on State

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## Departmental Financial Summary

### Summary of Revenues and Expenditures

	Codes, Policies, and Community Relations	Regulating Land Use	Regulating Construction	Regulating and Maintaining Compliance	General Management	Total
Total Revenues	\$797,565	\$3,252,831	\$14,647,986	\$1,186,833	\$515,389	\$20,400,603
Total Expenditures	(1,026,343)	(3,143,915)	(9,070,306)	(2,381,727)	(3,109,506)	(18,731,797)
Other Financing (Operating Transfers)	978,952	1,248,143	292,355	1,926,535	-	4,445,985
Allocated Expenditures	(214,404)	(421,821)	(1,321,376)	(420,946)	-	(2,378,547)
General Management Allocations	(239,126)	(683,651)	(1,638,562)	(548,168)	3,109,506	0
Net Operating Result	<u>296,644</u>	<u>251,587</u>	<u>2,910,098</u>	<u>(237,473)</u>	<u>515,389</u>	<u>3,736,244</u>

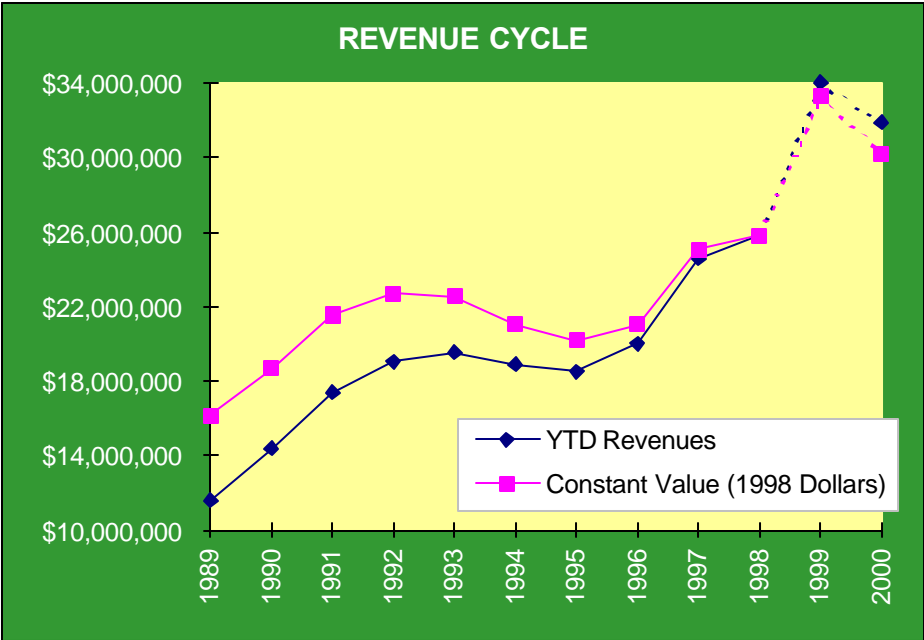
### Summary of Expenditures: Budget to Actual

	Codes, Policies, and Community Relations % of Total	Regulating Land Use % of Total	Regulating Construction % of Total	Regulating and Maintaining Compliance % of Total	General Management % of Total	Total % of Total
Personal Services and Benefits	56.32%	62.69%	67.11%	65.40%	65.26%	70.54%
Other Services & Charges	34.84%	63.90%	59.54%	24.74%	40.64%	61.73%
Capital Outlay	70.23%	257.47%	50.82%	135.19%	30.50%	52.07%
Debt Service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Labor Overhead Allocation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	<u>51.71%</u>	<u>63.58%</u>	<u>64.00%</u>	<u>56.06%</u>	<u>50.49%</u>	<u>67.00%</u>

Departmental Revenue Trends

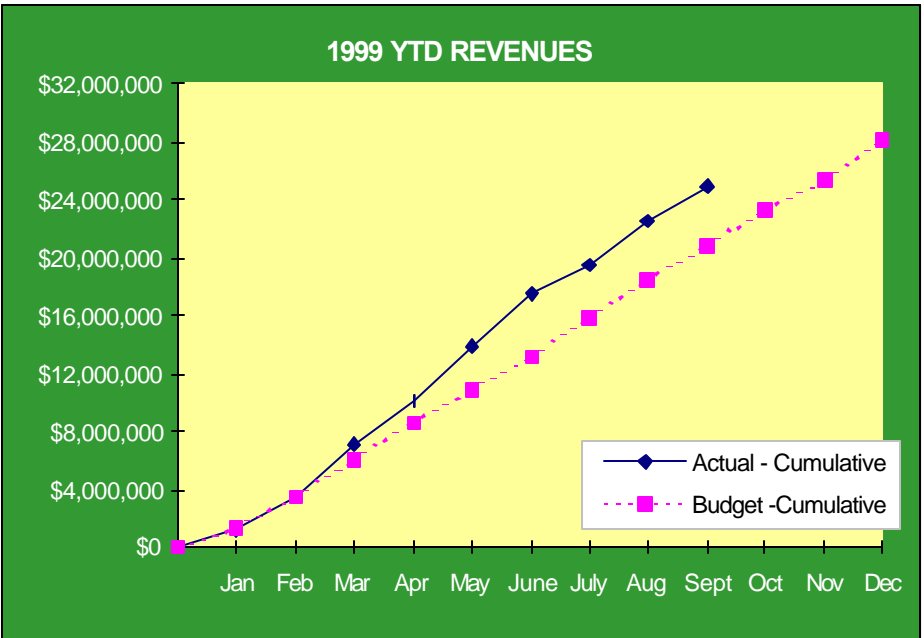
Ten-Year Revenues

This graph represents revenues received by DCLU over the past ten years, along with projections for 1999 and the year 2000. Revenues for 1999 are expected to exceed \$33 million, and decrease slightly in 2000 to just under \$32 million.



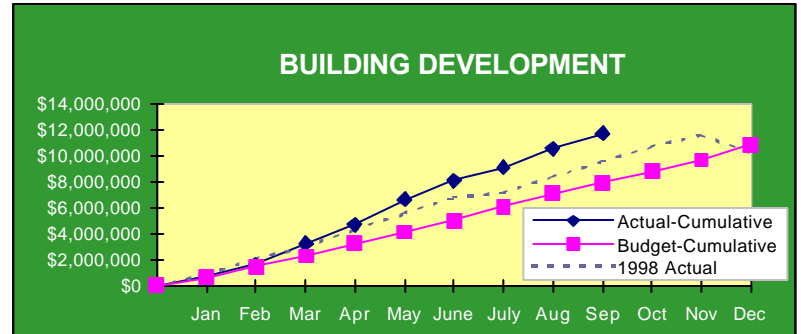
1999 Year-to-Date Revenues

This graph shows year-to-date third quarter revenues, which are running about \$4 million over forecast. Revenues continue to exceed projections

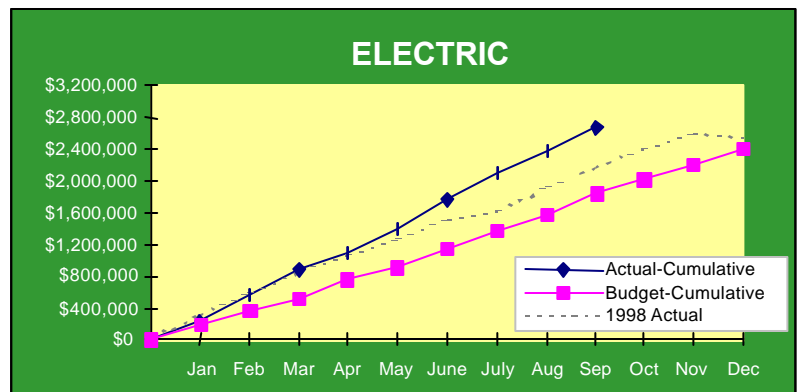


## Third Quarter Revenue Trends

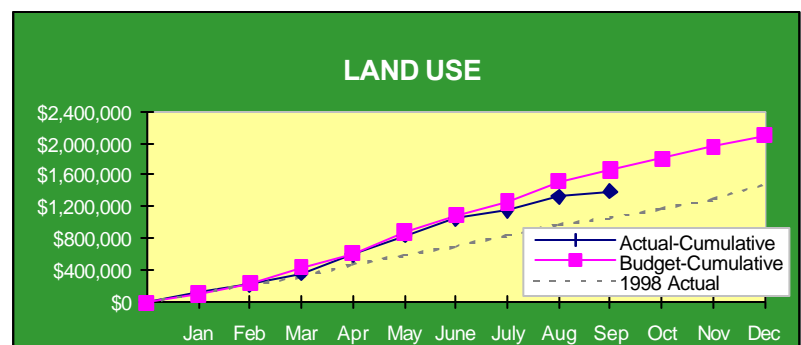
**Building Development** revenues are running about \$3.7 million ahead of projected.



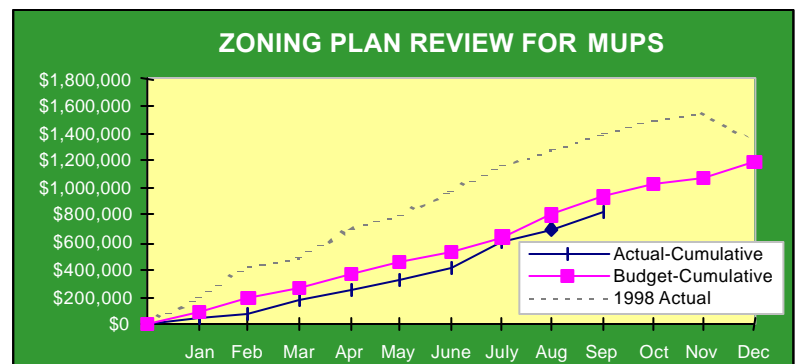
**Electrical** revenues are at about \$.8 million ahead at the end of the third quarter.



At the beginning of 1999, **Land Use** fees were increased to meet program expenditures. Land Use revenues are currently running just slightly below projected.



**Zoning Plan Review for MUP** revenues are running just slightly under projected as well. In 1998, Zoning revenues were \$.8 million in excess of program expenditures. At the beginning of 1999, we adjusted the development fee index for Zoning fees downward for all land use projects with value greater than \$20 million, thus reducing Zoning revenues generated. We will continue to monitor this revenue stream and how it relates to expenditures.



## Economic Indicators—Construction Permit Activity

### Intake and Issue Value

The intake and issue value graphs (with CPI adjustments) provide an indication of changes in the economy. It is useful to compare these two indicators by market segment to help see what is happening in the market.

- Increases in issue value indicate follow-through commitment on the applicant's part to proceed with the project at this time.

- Increases in intake value generally indicate near-term confidence in the economy.
- When both "indicators" are up, there is significant confidence in the economy; when both are down, this typically indicates a downturn.

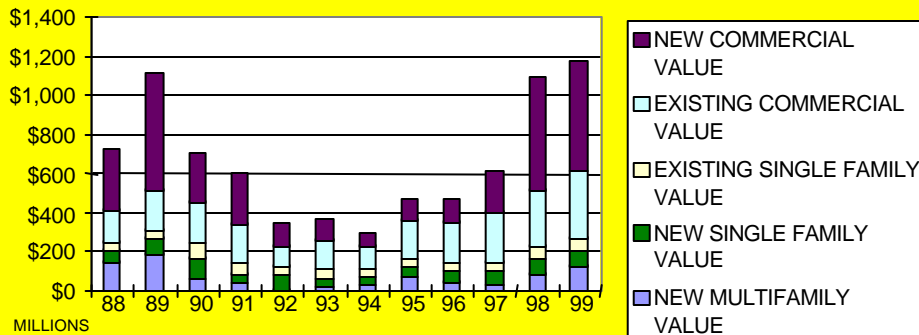
### Third Quarter Discussion

Both building development intake and issue value continue at a pace ahead of 1999 projections. Overall, the value and volume of

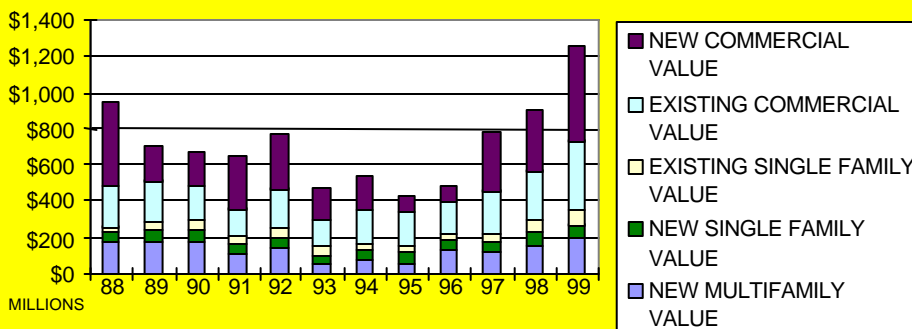
work is strong in all sectors and represents what we would describe as the pinnacle of the boom cycle. At this time, the data indicates that the economy is no longer expanding and has reached a plateau. Data from the next two quarters will establish a better indicator of the 2000-2001 economy.

Performance at third quarter indicates both value and volume of work is strong across all construction sectors; current year's performance is ahead of both 1999 projections and 1998 performance.

INTAKE VALUE YEAR-TO-DATE



ISSUE VALUE YEAR-TO-DATE



### Comparing 1999 to 1998, with an adjustment for Inflation

#### Issue Value Year-to-Date:

- Issue value is up 37.61%
- New multifamily is up 28.95%
- New commercial is up 54.35%
- Existing commercial is up 38.40%
- New single family is up 0.29%
- Existing single family is up 10.88%

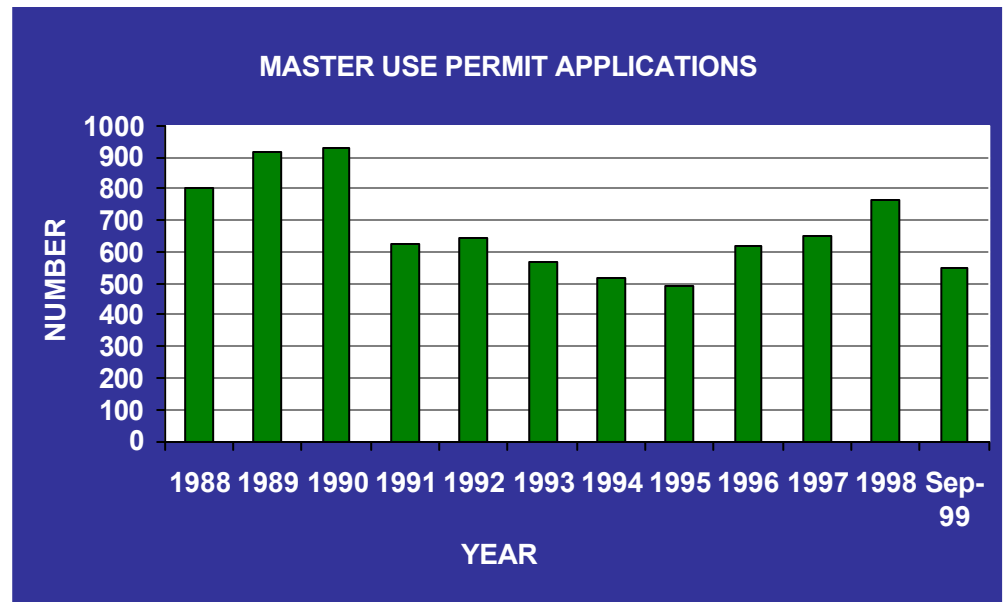
#### Intake Value Year-to-Date:

- Intake value is up 7.07%
- New multifamily is up 36.89%
- New commercial is down 4.36%
- Existing commercial is up 21.04%
- New single family is up 2.16%
- Existing single family is up 9.43%

## Economic Indicators—Master Use Permit Activity

### Number of MUP Applications

The number of MUP applications received in the third quarter of 1999 was one to two percent above that of the third quarter of 1998. This level of activity reflects continued economic prosperity in the Seattle region above original projections for the year.



# Regulating Construction—Performance Measures

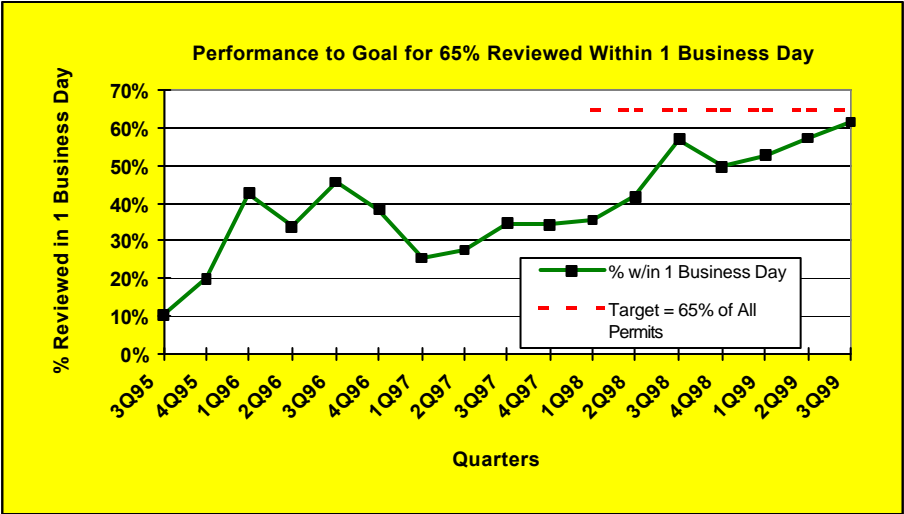
## DCLU GARM

Increase in percentage of initial reviews for construction permits completed within one business day.

Baseline	1Q98	35%
Target	4Q99	65%
Actual	3Q99	62%

## Assumptions

This indicator reflects percents with initial review complete by the end of the next business day following the date of application acceptance. (At this point, some projects are ready to issue; for others, corrections are required). Excluded are land use only projects, renewals, and projects with appealable land use components.



## Third Quarter Performance

DCLU has made steady progress toward the 65% goal since major process changes were instituted in May 1998. The ultimate target date for achieving the goal is fourth quarter 1999. This quarter, performance has come the closest to achieving the goal of any quarter to date, with a 67% rate achieved for the month of July and 62% overall for the quarter.

The more complex projects routed for review continue to be challenging. Third quarter performance has continued to drop below the high of 67% achieved earlier this year for “complex” projects. This is due to the much higher than anticipated volumes of permit applications.

Capacity for plan review via outsourcing (consultant contracts) was expanded dramatically in August. Changes were also made to the processes to allow earlier referral of projects to consultants when DCLU capacity is exceeded.

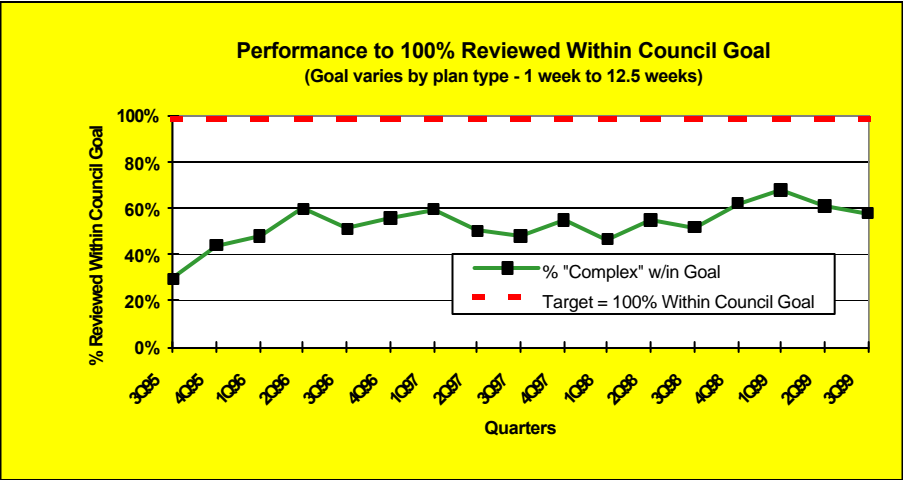
## DCLU GARM

Increase in percentage of initial reviews for complex construction permits completed within established goals for individual permit types.

Baseline	1Q98	46%
Target	4Q99	100%
Actual	3Q99	58%

## Assumptions

This indicator reflects all projects not reviewed within one business day (with the exception of Subject to Field Inspection permits). Completion time is measured in days from application acceptance to completion of initial review. The performance standard is 100% of all plans should have initial review completed within the time frame established by the Council goal for that plan type. The established Council goal for each plan type varies from one week for some types of mechanical permits to 12.5 weeks for new commercial buildings.





## Regulating Construction—Performance Measures

### DCLU GARM

Increase in percentage of initial reviews for construction permits completed within established goals for individual permit types. These graphs provide more specific detail for performance to Council goals for the various groupings of projects shown.

### Assumptions

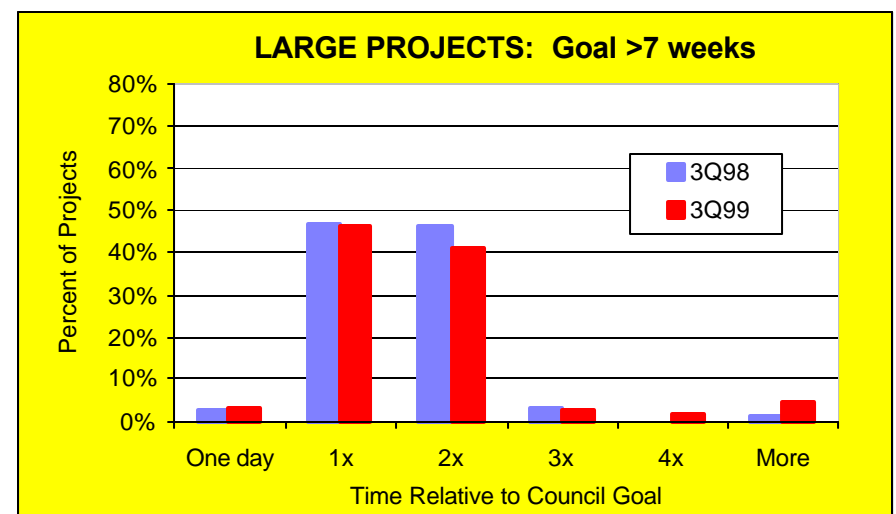
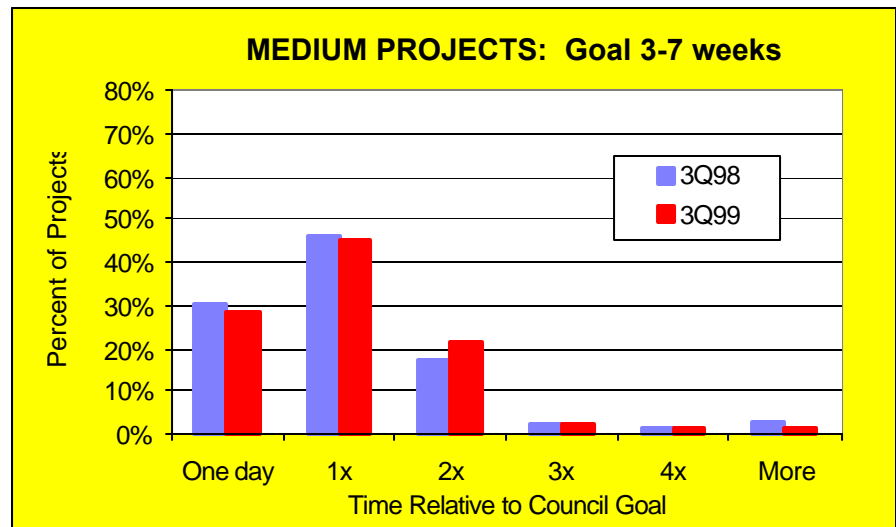
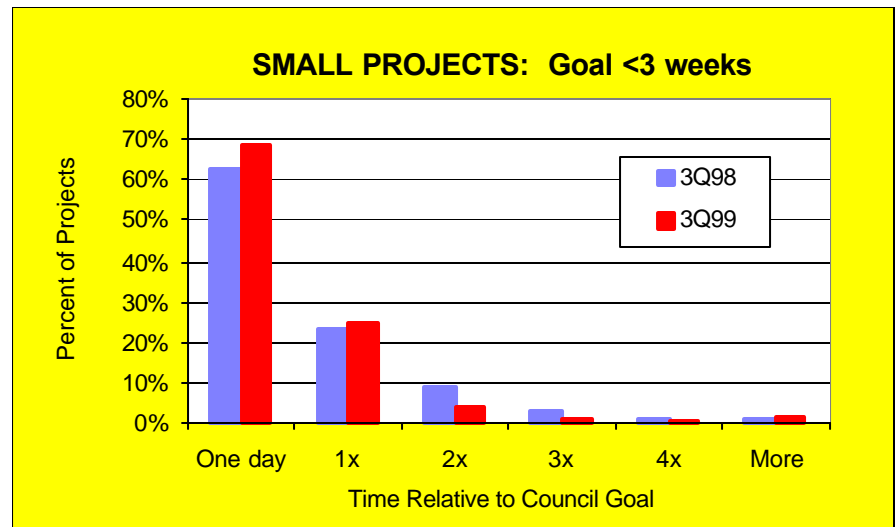
These graphs take all projects that had initial plan review completed in the given quarter. Completion time for each project is measured in calendar days from application acceptance to completion of initial review for all review locations. This performance is compared to the Council goal for that plan "type".

Time to completion then is calculated as a multiple of the Council goal for the plan type. For example, single-family expedited permits have a Council goal of 2.3 weeks. A project of this plan type that was completed in one week would be reported as .43 x Council goal, while one that was completed in four weeks would be reported as 1.74 x Council goal.

**Small Projects:** Some improvements were seen in the third quarter of 1999 over the performance achieved in the third quarter of 1998. More projects were completed within one day this year, with fewer taking two or three times the Council goal.

**Medium Projects:** Performance was slightly better last year for performance for time frames up to twice the Council goal. Projects taking significantly longer (three or more times the Council goal) were largely unchanged, with a slight improvement for projects taking five or more times the Council goal.

**Large Projects:** The large project group performed somewhat worse relative to Council goals. Projects taking up to the Council goal were virtually the same as last year, but the longer time frames (four and five times Council goal) were worse than the third quarter of 1998.





Regulating Land Use—Performance Measures

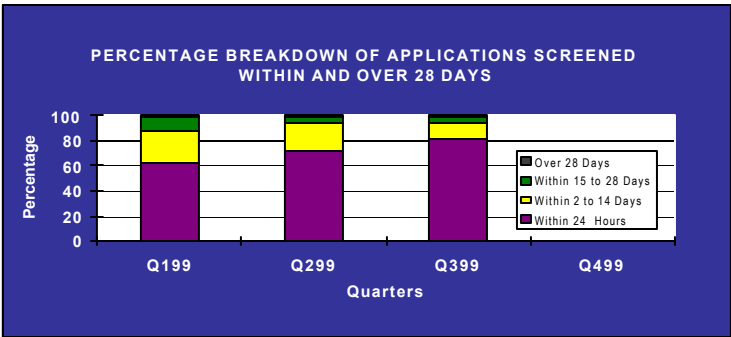
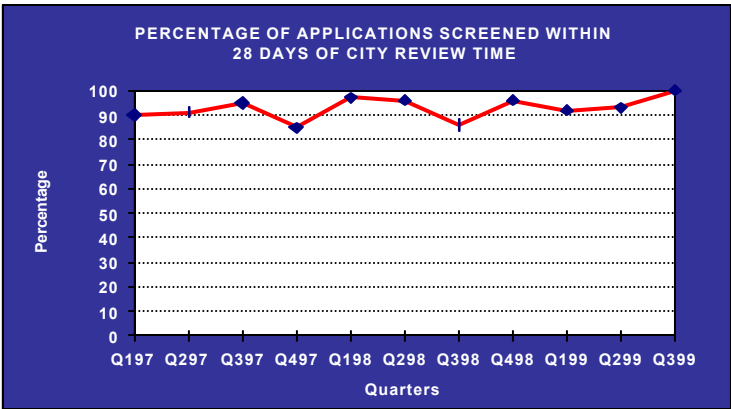
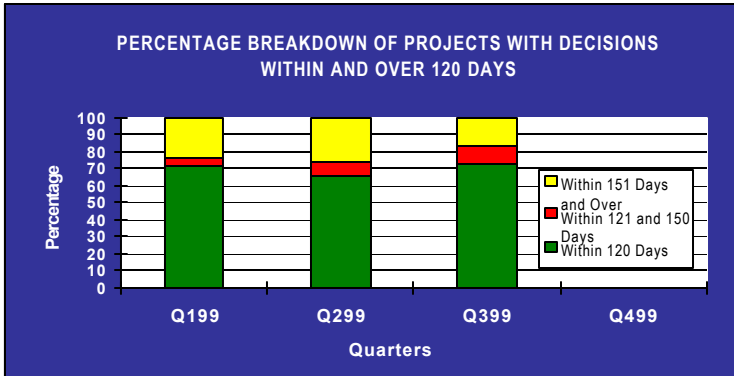
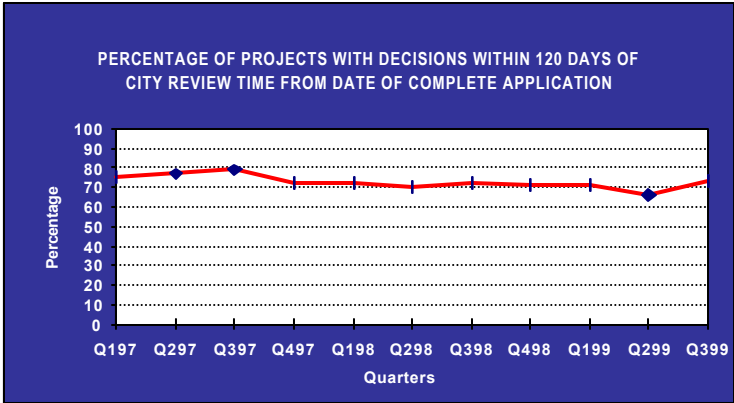
DCLU GARM

Increase in percent of MUP permits processed within 120-day state mandate to 100% by December 1999.

Baseline	1/01/99	72%
Target	6/30/99	80%
	12/31/99	100%
Actual	9/30/99	73%

The percent of MUP applications processed within 120 days was 73%, which is 7% above the level of performance achieved during the second quarter. This is a level of performance that the department has historically achieved.

To identify areas for improvement, we are now monitoring and analyzing projects that exceed 120 days, focusing on those projects with multiple correction cycles, design review projects, and those with referrals to other departments. Since July, DCLU



has been sending periodic status reports to other City review locations. These tracking reports, in combination with the process improvements in these referral agencies, are resulting in reduced turnaround times.

Applications Screened within 28 Days

As a result of the “Process Improvements: Regulating Land Use” (PIRL) program, screening review has been reduced from an average of two weeks to just two days. This improved performance was achieved by incorporating the screening process into the initial MUP application appointment in the Applicant Services Center.

Measuring progress toward the 120-day goal begins after screening is complete. Thus, the screening process affects the overall length of project review. During the third quarter, 99.5% of MUP applications were screened for completeness within 28 days. In addition, 81% of applications were screened for completeness within 24 hours.

## Regulating Land Use—Performance Measures

### DCLU GARM:

Reduction in the amount of time MUP applications are with the applicant for correction

Baseline	1/01/99	66 days
Goal	6/30/99	43.25 days
Actual	9/30/99	48 days

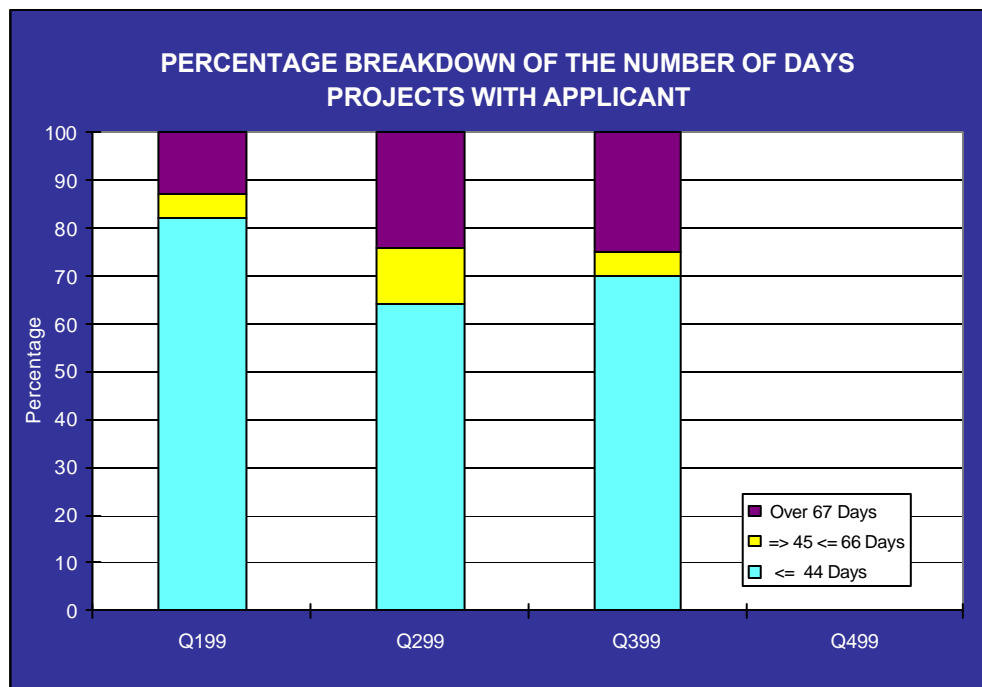
### Average number of days applicants take to respond to corrections

During the third quarter, applicants took an average of 48 days to respond to correction requests, a drop of two days from the second quarter's performance. This goal is new in 1999.

This quarter, the number of days appears to have been more stable than in prior quarters this year. This performance may be due to the process improvement we

implemented where the planner meets the applicant at intake to explain the process and anticipate problems.

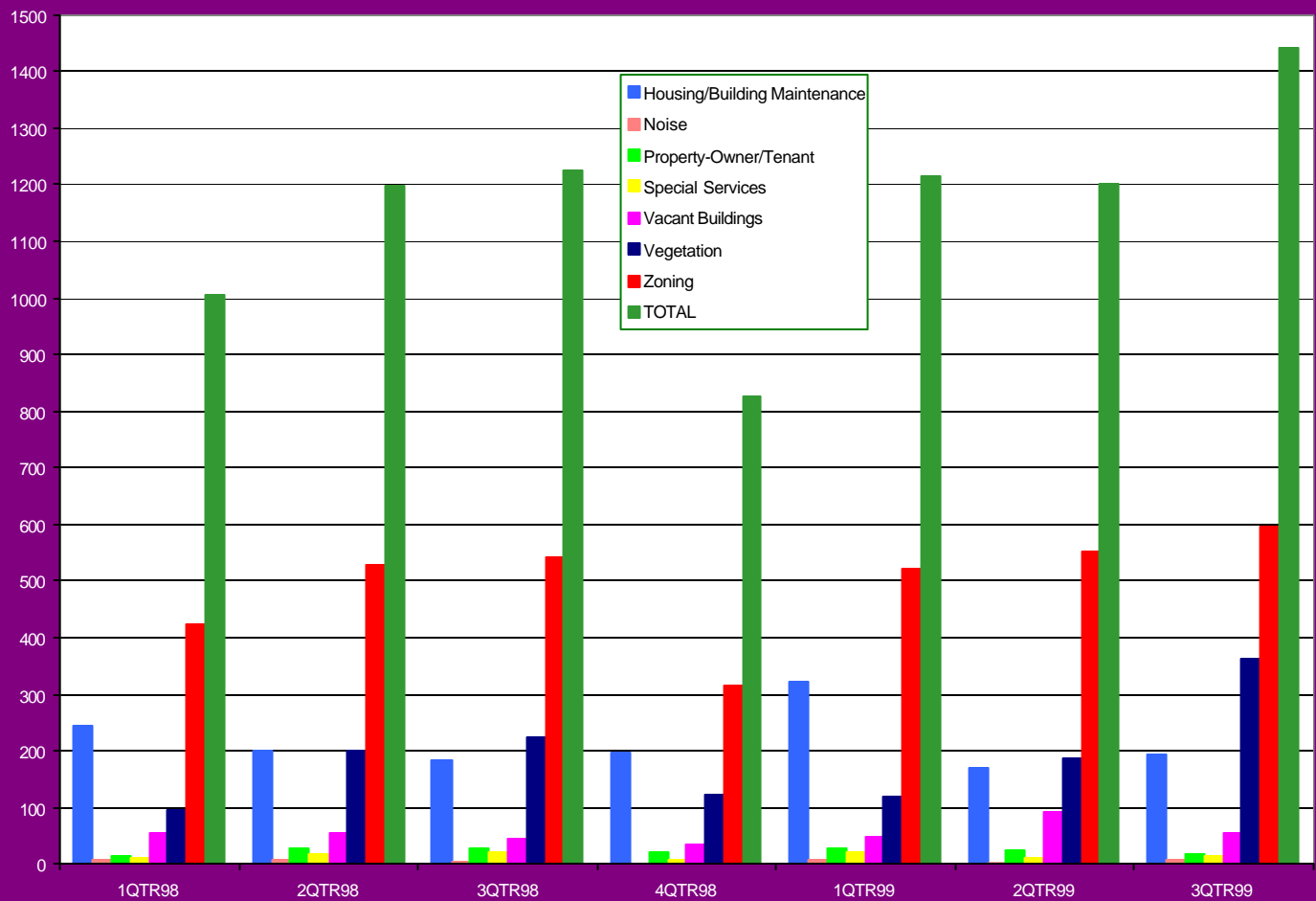
However, since the applicant's response is an indirect measure of our performance, it is difficult to discern whether the added service through MUP facilitation is affecting these results or whether other factors are involved. We will continue to monitor this measure while we analyze our progress toward meeting all our GARMs.



## Regulating & Maintaining Compliance—Performance Measures

The third quarter of 1999 reflects the highest volume of incoming cases since the first quarter of 1998. The total increase of new cases was 241 over the previous quarter.

**DISTRIBUTION OF ALL NEW CASES  
MADE BY ENFORCEMENT CATEGORY**



## Regulating & Maintaining Compliance—Performance Measures

### DCLU GARM

Increase in percent of complaint cases resolved within 60 days.

Baseline	1/01/99	29%
Target	6/30/99	47%
Actual	9/30/99	43%

Although the department's performance appears comparable to the second quarter of 1999, it reflects an increase of 186 more cases closed within 60 days than during the second quarter (approximately 20% more).

Due to the high level of activity, the age of open cases older than 120 days increased during the third quarter.

Despite the high volumes, we were able to resolve 43% of cases within 60 days.

PERCENT OF HOUSING AND ZONING CASES RESOLVED WITHIN  
SELECTED TIMEFRAMES

